

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4762-02
Bill No.: Perfected HCS for HB 1994
Subject: Gambling
Type: Original
Date: April 13, 2010

Bill Summary: This proposal removes the provision that makes an excursion gambling boat licensee guilty of a class B misdemeanor if he or she exchanges tokens, chips, or other forms of credit to be used on games for anything of value.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$46,500)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$46,500)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of the proposal, officials from the **Office of Prosecution Services** assumed the proposal would not fiscally impact their agency.

Officials from the **Missouri Gaming Commission, Office of the State Courts Administrator, Office of the State Public Defender**, and the **Department of Public Safety** each assume the proposal would not fiscally impact their respective agencies.

House Substitute Amendment 1:

In response to a similar bill from this year (HB 1430), officials from the **Department of Social Services - Family Support Division (FSD)** stated Subsection 313.819.1 of this bill prohibits persons guilty of nonsupport from being admitted on excursion gambling boats or casinos in Missouri until all arrearages have been satisfied. FSD will be required to provide a list of all persons known to the division to be guilty of the crime of nonsupport to every gambling boat and casino in the state. FSD will need to change its automated child support system (MACSS) to track data on individuals found guilty of nonsupport and establish a method for transferring this data to excursion gambling boats and casinos. OA - ITSD will need to identify any costs for these changes. This proposed legislation will require FSD to devote FSD staff to the development and implementation of the data exchanges with the gambling boats, casinos, and other stakeholders. FSD will also need to develop procedures for its staff in implementing the proposed legislation. These activities can be done with existing staff.

Subsection 313.819.2 provides that those persons barred from admission on excursion gambling boats who have satisfied all arrearages may petition the court to order FSD to remove such person's name from the list of those who are barred from admittance and to notify all excursion gambling boats and casinos in the state to remove such person's name from the list of persons who are barred. When petitions are filed under these subsections, FSD will require legal representation. Under a current cooperative agreement, the Office of the Attorney General provides FSD with legal representation in similar legal proceedings. Therefore, any costs associated with the need for additional legal representation will need to be identified by the Office of the Attorney General. FSD is unable to estimate the number of additional cases in which it may need legal representation as a result of this bill.

ASSUMPTION (continued)

FSD anticipates that implementation of this bill will cause an unknown increase in the number of telephone calls received at the division's customer service call center. FSD is unable to estimate the increase in call volume, but expects that the additional calls can be handled without additional appropriations for its call center.

This proposed legislation may result in an increase in child support collections by motivating individuals to pay off their child support arrearages in order to gain admittance to a gambling boat or casino or by preventing individuals from spending funds gambling that might otherwise be used to pay child support. FSD is unable to determine the amount of the possible increase in child support collections from the implementation of this bill.

FSD's total cost for implementation is unknown, but less than \$100,000.

Oversight assumes the FSD could implement this proposal with existing resources.

In response to a similar bill from this year (HB 1430), officials from the **Department of Social Services - OA/ITSD** assumed revisions would be needed to enhance the MACSS system to track data on individuals found guilty of nonsupport and establish a method for transferring this data on a monthly basis to the Gaming Commission to be shared with gambling boats and casinos. OA/ITSD estimates approximately 500 programming and testing hours at \$93 per hour would be required to implement the proposed changes to the automated system. The estimated programming costs are \$46,500, all of which would be expended in FY 2011.

In response to a similar bill from this year (HB 1430), officials from the **Office of the Attorney General** assumed that any potential costs arising from the proposal could be absorbed with existing resources.

In response to a similar bill from this year (HB 1430), officials from the **Missouri Gaming Commission (GAM)** stated in eliminating the \$500 loss limit, Proposition A has also eliminated the statutory requirement that players possess a players' card that identifies an individual when they enter a casino. Without this security mechanism, it will be difficult for casinos to prohibit individuals from the gaming floor. At this time, the only point at which an individual is required to produce adequate personal identification on the gaming floor is when an individual wins a jackpot and must provide such to claim it.

ASSUMPTION (continued)

At this time, as it is unknown as to how many potential gamblers in Missouri are also guilty of non-payment of child support, we must presume that there will be no fiscal impact on gaming revenues.

In response to a similar bill from this year (HB 1430), officials from the **Office of the State Courts Administrator** assumed the proposal would not fiscally impact the courts.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Costs - Department of Social Services (OA/ITSD) programming changes to implement HSA 1</u>	<u>(\$46,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$46,500)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

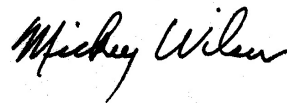
FISCAL DESCRIPTION

This bill prohibits any person who has been found guilty of or has pled guilty to the crime of nonsupport of a spouse or child from being admitted onto an excursion gambling boat or casino until the arrearages due have been satisfied. The Family Support Division within the Department of Social Services must provide an updated list at least monthly of all persons known by the division who are to be barred from admittance to every boat and casino. The bill specifies the procedures for an individual on the list to petition the court for the removal of his or her name from the barred list after all arrearages have been paid.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Public Safety
Department of Social Services
Office of the Attorney General



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Director
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